

# Legislator University

SSC 310

Understanding the Florida Education  
Finance Program (FEFP)





# Florida Education Finance Program (FEFP)

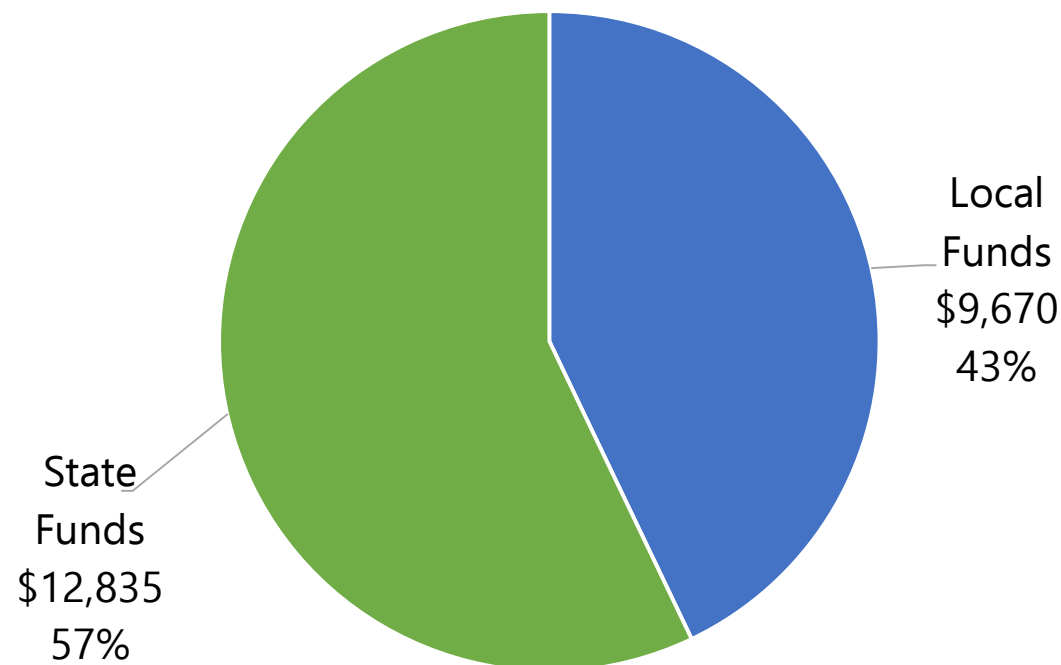
- To many, the FEFP is a complex series of calculations and formulas that, at best, is difficult to understand.
- However, while certain individual formulas may be complex, the funding for the FEFP is simply based on two primary factors: the total number and type of students forecasted to be in the public school system.



# Florida Education Finance Program (FEFP)

- Established in 1973, the FEFP is the state's methodology to ensure equitable access to public education.
- The FEFP is used to calculate revenue allocations for 74 school districts consisting of 67 counties, 6 lab schools, and Florida Virtual School.
- The FEFP is comprised of both state and local revenues.
- Total FEFP funds allocated for FY 2020-21 is **\$22.5 billion**.
- The statewide average funds per student is **\$7,786.61**.

FY 2020-21 Florida Education Finance Program  
Allocations by Fund Source (\$millions)





# FEFP Revenue Sources

## State Revenue

- General Revenue Fund
  - Comprised of state taxes and fees, primarily Sales Tax.
- Educational Enhancement Trust Fund
  - Comprised of net proceeds from Lottery ticket sales and taxes on slot machine revenues.
- State School Trust Fund
  - Comprised of unclaimed property that has escheated to the state.

## Local Revenue

- Ad Valorem Tax
  - Local property taxes are levied by Florida's 67 school districts.
  - Two authorized nonvoted district property taxes:
    - Required local effort (RLE) – Legislature annually sets aggregate RLE amount.
    - Discretionary local effort (DLE) – Legislature annually sets maximum millage rate school districts may levy.



# Required Local Effort (RLE)

- To receive state FEFP funds, school districts **must levy** the RLE millage.
- As property values increase, the same RLE millage rate generates more in property tax revenue.
- For the past 5 years, the Legislature has adopted funding policies to limit the growth in the RLE.

Fiscal Year	RLE Policy	State "Buyback"
2016-17	Maintain aggregate RLE amount at prior year's level of \$7.6 billion.	\$428.1 Million
2017-18		\$509.8 Million
2018-19	Allow RLE to increase by the value associated with new construction only.	\$375.6 Million
2019-20		\$272.3 Million
2020-21		\$304.8 Million



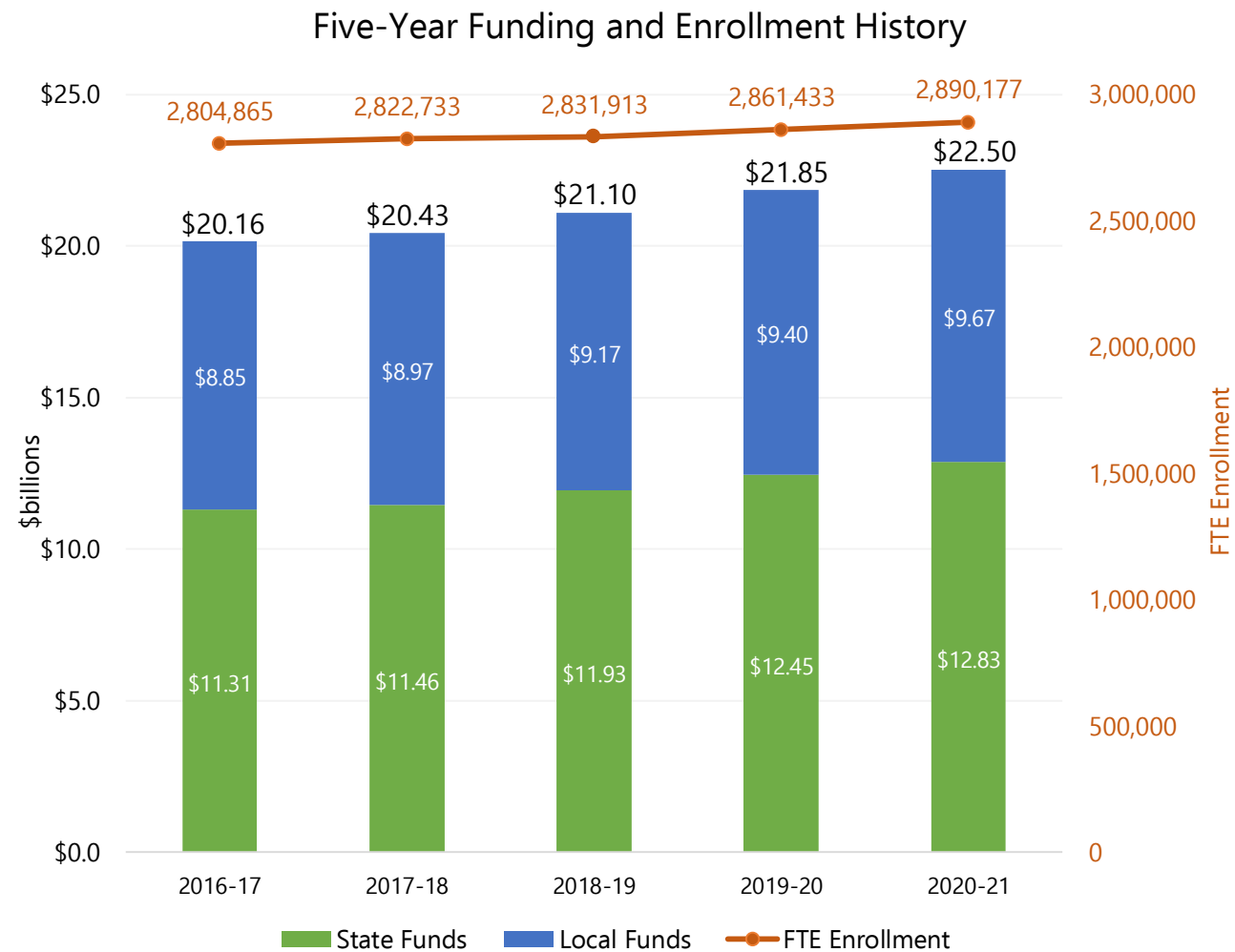
# Discretionary Local Effort (DLE)

- School districts **may levy** the DLE millage.
- For FY 2020-21, the maximum DLE millage rate is 0.748 mills, and all school districts levy the full 0.748 mills.
  - The maximum DLE millage rate has been 0.748 mills since FY 2011-12.
- Unlike the RLE, the DLE millage has increased by its full value each year.



# Growth in FEFP Funding

- In the past five years, total funds for the FEFP have grown by \$2.4 billion (12%).
- State funds have grown by \$1.5 billion (14%) while local funds have grown \$818 million (9%).
- Over the same five-year period, student enrollment has grown by 3%.



# FEFP Calculations

Florida Statutes require the Department of Education to distribute FEFP funds to school districts on or about the 10th and 26th of each month.

The FEFP is calculated 5 times throughout the year.

The FEFP is calculated in six general steps.



## STEP 1

Unweighted FTE (UFTE)	2,890,177.27
<i>Multiply by Program Cost Factors</i>	
<b>Weighted FTE (WFTE)</b>	<b>3,186,169.98</b>

## STEP 2

Base Student Allocation (BSA)	\$ 4,319.49
WFTE x BSA x DCD	
<b>Base FEFP Funding (State and Local Funds)</b>	<b>\$ 13,772,371,296</b>

## STEP 3

Local and State Funded Categoricals	\$ 3,933,512,955
<b>Gross State and Local FEFP (Base FEFP funding + Categoricals)</b>	<b>\$ 17,705,884,251</b>

## STEP 4

Net State FEFP (Subtract Local Funds)	
Required Local Effort Taxes (RLE)	\$ 8,016,904,590
<b>Net State FEFP (Base FEFP + Categoricals)</b>	<b>\$ 9,688,979,661</b>

## STEP 5

State Funded Categorical – Class Size Reduction	\$ 3,145,795,385
<b>Total STATE FUNDING (Net State FEFP + State Funded Categorical)</b>	<b>\$ 12,834,775,046</b>

## STEP 6

<b>Local Funding</b>	
Total Required Local Effort (RLE)	\$ 8,016,904,590
0.748 Discretionary Local Effort	\$ 1,653,000,725
<b>TOTAL LOCAL FUNDING</b>	<b>\$ 9,669,905,315</b>
<b>TOTAL FEFP FUNDS (Total State Funding + Total Local Funding)</b>	<b>\$ 22,504,680,361</b>

State Dollars per Unweighted FTE	\$ 4,441
Local Dollars per Unweighted FTE	\$ 3,346
Total Dollars per Unweighted FTE	\$ 7,787



# STEP 1 – Convert Unweighted FTE (UFTE) into Weighted FTE (WFTE)

- The Education Estimating Conference adopts the official forecast for the number of UFTE students.
- Program cost factors are used to convert UFTE into WFTE to ensure that each education program receives an equitable share of funds in relation to its relative cost per student.
  - DOE annually calculates program cost factors using actual expenditure data provided by school districts.

Unweighted FTE (UFTE)	2,890,177.27
<i>Multiply by Program Cost Factors</i>	
<b>Weighted FTE (WFTE)</b>	<b>3,186,169.98</b>

## Education Program Cost Factors for FY 2020-21

1	Basic Education Grades K-3	1.124
2	Basic Education Grades 4-8	1.000
3	Basic Education Grades 9-12	1.012
4	English for Speakers of Other Languages (ESOL)	1.184
5	Exceptional Education Student (ESE) Level 4	3.644
6	Exceptional Education Student (ESE) Level 5	5.462
7	Career Education Grades 9-12	1.012



## STEP 2 – Calculate Base FEFP Funding

- To calculate the Base FEFP Funding multiply the weighted FTE (WFTE)  $\times$  the Base Student Allocation (BSA)  $\times$  the district cost differential (DCD).
- Legislature annually determines the BSA which represents the minimum amount of funds per weighted FTE (WFTE) prior to the addition of categoricals.
- DCD uses the Florida Price Level Index (FPLI) to adjust each district's base FEFP funding to reflect the relative cost of hiring comparably qualified staff across Florida's school districts.

Base Student Allocation (BSA)	\$ 4,319.49
WFTE x BSA x DCD	
Base FEFP Funding (State and Local)	\$ 13,772,371,296



# STEP 3 – Calculate Gross State and Local FEFP

- Categoricals are additional allocations included in the FEFP to either ensure equalized access to educational services and resources by all public school students or to fund specific statutory policies.
- For FY 2020-21, there are 19 categoricals.
- The Gross State and Local FEFP is calculated by adding the Base FEFP Funding (step 2) amount to the total Local and State Funded Categoricals amount.

<b>Base FEFP Funding</b>	\$ 13,772,371,296
<b>State and Local Funded Categoricals</b>	\$ 3,933,512,955
<b>Gross State and Local FEFP</b>	<b>\$ 17,705,884,251</b>

Local and State Funded Categoricals	
Declining Enrollment Supplement	\$ -
Sparsity Supplement	\$ 55,500,000
State Funded Discretionary Contribution	\$ 25,552,581
.748 Millage Compression	\$ 263,201,637
DJJ Supplemental Allocation	\$ 6,312,500
Safe Schools Allocation	\$ 180,000,000
ESE Guaranteed Allocation	\$ 1,092,394,272
Supplemental Academic Instruction Allocation	\$ 723,869,528
Instructional Materials Allocation	\$ 236,574,333
Student Transportation Allocation	\$ 449,966,033
Teachers Classroom Supply Asst Allocation	\$ 54,143,375
Reading Instruction Allocation	\$ 130,000,000
Virtual Education Contribution	\$ 6,344
Digital Classrooms Allocation	\$ 8,000,000
Federally-Connected Student Supplement	\$ 13,861,617
Mental Health Assistance Allocation	\$ 100,000,000
Funding Compression and Hold Harmless Allocation	\$ 68,000,000
Turnaround Supplemental Services Allocation	\$ 26,130,735
Teacher Salary Increase Allocation	\$ 500,000,000
<b>Total Local and State Funded Categoricals</b>	<b>\$ 3,933,512,955</b>



## STEP 4 – Calculate Net State FEFP

- To determine the Net State FEFP, subtract from the Gross State and Local FEFP the local funds associated with the RLE revenue.

<b>Gross State and Local FEFP (Base FEP Funding + State and Local Funded Categoricals)</b>	<b>\$17,705,884,251</b>
<b>Required Local Effort Taxes (RLE)</b>	<b>\$ 8,016,904,590</b>
<b>Net State FEFP</b>	<b>\$ 9,688,979,661</b>



# STEP 5 – Fund State Funded Categorical and Calculate Total State Funding

- In addition to the state and local funded categorical, there is one categorical funded with **state revenue only** – the **Class Size Reduction Allocation**
- This categorical assists school districts with their compliance of the class size requirements.
- To determine the Total State Funding, add the Net State FEFP (step 4) to the State Funded Categorical amount.

Net State FEFP	\$9,688,979,661
Class Size Reduction Allocation	\$3,145,795,385
<b>TOTAL STATE FUNDING</b>	<b>\$12,834,775,046</b>



# STEP 6 – Calculate Total Local Funding and Total Funding

- To calculate the Total Local Funding, the RLE amount is added to the total DLE amount.
- To calculate the Total Funding, the Total Local Funding is added to the Total State Funding.

Local Funding	
Total Required Local Effort (RLE)	\$ 8,016,904,590
.748 Discretionary Local Effort	\$ 1,653,000,725
<b>TOTAL LOCAL FUNDING</b>	<b>\$ 9,669,905,315</b>
<b>TOTAL FUNDING (Total State Funding + Total Local Funding)</b>	<b>\$ 22,504,680,361</b>



# Calculation of Funds per FTE Student

- To determine the Funds per FTE student, the state, local, and total funding are divided by the total number of unweighted FTE students.

	Total Funding	# of Unweighted FTE	Funds per UFTE
State	\$ 12,834,775,046	2,890,177.27	\$ 4,440.83
Local	\$ 9,669,905,315	2,890,177.27	\$ 3,345.78
Total	\$ 22,504,680,361	2,890,177.27	\$ 7,786.61

***Where  
To Go  
For  
Help***



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